not exist. Taxes in lieu of should instead be deductible to relieve only the portion of the tax borne by the taxpayer. Until section 903 is repealed, more countries may adjust their tax laws in order to take advantage of section 903. In my district, thousands of jobs have been lost when companies moved their operations overseas. It is appalling to think that our tax system gave them incentives to do so.

Mr. Speaker, I urge all Members to cosponsor this important piece of legislation.

GATT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 14, 1994 into the CONGRESSIONAL RECORD.

GATT

Congress recently approved one of the most important—and controversial—measures of 1994: the latest expansion of the 47-year old General Agreement on Tariffs and Trade [GATT]. It is the most ambitious trade agreement in history.

The agreement among 124 nations, negotiated over seven years, will lower tariffs (import taxes) by one third, reduce international subsidies for farm exports, strengthen protections for patents and inventions, and take steps toward regulating trade in services and investment. Congress held dozens of hearings on the negotiations and passed numerous measures to guide the Reagan, Bush, and Clinton administrations in their pursuit of U.S. trade interests. Last week both the House and the Senate passed GATT by overwhelming margins. Dozens of Indiana manufacturers and farm groups urged passage of GATT, while many other Hoosiers expressed concern about protecting U.S. interests. The intense debate on GATT focused on three main issues: the impact of GATT on American jobs, on the budget deficit, and on U.S. sovereignty.

JOBS AND ECONOMIC GROWTH

Many people have expressed concern about the impact of GATT on U.S. jobs, yet the case for job growth under GATT is strong. GATT commits 124 countries to reduce tariff taxes for agriculture, services, and manufactured goods, with the global savings totaling $744 billion over ten years. Since the U.S. economy is already one of the fairest and most open in the world, other countries will be reducing their tariffs and restrictions much more than we will. The U.S. should be the biggest winner under the expanded GATT, and the agreement should give our economy a boost.

Lower trade barriers and tariffs will save U.S. consumers money and also create jobs through more exports and new investment. The Council of Economic Advisors estimates that within a decade GATT will boost U.S. economic output by $100–200 billion a year. GATT should directly benefit many Hoosier workers. Indiana manufacturers will see a 33% reduction in tariffs on their products. Distillers will benefit from lower tariffs on U.S. spirits, and copyright protections will outlaw counterfeit foreign products. According to the Indiana Farm Bureau, Hoosier farmers can expect an additional $1.05 billion in income from GATT over ten years. Overall, GATT could add $1,700 to the annual income of the average U.S. family within a decade.

BUDGET CONCERNS

Because the U.S. has agreed to reduce its tariffs by an average of 1.6%, certain federal revenues will decrease. The Congressional Budget Office estimates this loss will be $11.9 billion over the next five years. To offset it, the package approved by Congress cuts spending in a number of programs, charges fees for certain customs services and broadcast licenses, and closes some tax loopholes.

More importantly, GATT's impact on the economy—new jobs and more exports—should create new federal income tax revenue that greatly exceeds any reduction in tariff revenue. GATT-related economic activity is estimated to reduce the federal deficit by some $60 billion over the next ten years. GATT is fiscally responsible.

WORLD TRADE ORGANIZATION

At the direction of Congress in 1988, U.S. negotiators sought a stronger enforcement mechanism against unfair trade practices. Under the new agreement, the World Trade Organization [WTO] would replace the informal negotiating group that has existed for almost fifty years. In the past, a country with unfair trade practices could refuse to obey a ruling and not lose benefits. Now, unfair traders have to obey the rulings or face still consequences.

The WTO would issue rulings on trade disputes concerning goods, services, and intellectual property. For example, Canada could file a complaint against Japan for unfairly restricting Canadian wheat imports. If the WTO agreed with Canada, and Japan refused to change its practices, Japan would have to pay compensation or be subject to Canadian trade penalties.

SOVEREIGNTY

Many Hoosiers believe that any international trade council should not infringe on U.S. sovereignty. I strongly agree, and I worked hard to include strict safeguards in the package to protect our sovereignty.

First, GATT will continue to make nearly all decisions by consensus—there has not been a vote in more than thirty years. Second, the WTO cannot change any U.S. laws or policies. Only Congress and the President can do that, and no WTO ruling has any standing in U.S. courts. Third, we can withdraw from the WTO at any time or pass legislation overriding any part of GATT. With my support, Congress and the President also agreed to create a special U.S. panel to review WTO decisions. If this panel identifies three unfavorable WTO rulings, any Member of Congress can demand an immediate vote on withdrawing from the WTO. Finally, the United States has the world's largest market and most powerful economy. Other countries are not likely to impose trade sanctions in WTO disputes for fear of getting into a trade war with the U.S.

CONSEQUENCES OF REJECTION

Failure by the U.S. to ratify the agreement would have meant an enormous missed opportunity and an abdication of our international leadership. The U.S. dominated the negotiations: how could other countries have confidence in us if we failed to approve an agreement so beneficial to our interests? Without this agreement, countries would erect new trade barriers, and protectionism would rise. All of our economies would suffer. Democratic reforms would slow, shaky financial markets could boost interest rates, and world stability—so closely tied to economic cooperation—could be undermined.

Of course, GATT is not perfect. As a trade agreement it does not directly address important concerns such as child labor or political freedom, but GATT does increase the incentives for other countries to cooperate with us on these issues. Overall compliance of other countries with GATT will have to be closely monitored.

CONCLUSION

GATT should mean more secure, high-paying jobs for Hoosiers and a better standard of living. The U.S. cannot afford to pass up the economic benefits of GATT. The WTO should be a strong advocate for U.S. interests while protecting our sovereignty, and free and fair trade will continue to promote peace and prosperity around the globe.

INTRODUCTION OF LEGISLATION TO AMEND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to introduce a bill to amend the Alaska Native Claims Settlement Act of 1971 at the request of Cook Inlet Region, Inc. [CIRI].

Congress enacted the Alaska Native Claims Settlement Act [ANCSA] in 1971 to address claims to lands in Alaska by its Eskimo, Indian, and Aleut native people. Lands and other benefits transferred to Alaska Natives under the act were conveyed to corporations formed under the act. Alaska Natives enrolled to these corporations were issued shares in the corporation. CIRI is one of the corporations formed under ANCSA and has approximately 6,262 Alaska Natives enrolled, each of whom were issued 100 shares of stock in CIRI, as required under ANCSA.

ANCSA stock, unlike most corporate stock, cannot be sold, transferred, or pledged by the owners of the shares. Rather, transfers can only happen through inheritance, or in limited case, by court decree. The ANCSA provisions restricting the sale of stock were put in place to protect Native shareholders from knowledgeable or unscrupulous transactions, and to allow the corporation to grow and mature in order to provide long-lasting benefits to its shareholder.

The drafters of ANCSA initially believed that a period of 20 years would be a sufficient amount of time for the restrictions on sale to remain in place. Therefore, the restrictions were to expire 20 years after passage of ANCSA on December 31, 1991.

As 1991 approached, bringing with it the impending change in the alienability of Native stock, the Alaska Native community grew concerned about the effect of the potential sale of Native stock. The Alaska Federation of Natives, a statewide organization representing the State's 90,000 natives, spearheaded a legislative initiative to address the 1991 stock sale issue. Many of the Native corporations, including CIRI, actively solicited their shareholders' view on this critical matter, through meetings, questionnaires, polling, and formal votes. In 1987, 3 years prior to the 1991 restriction-lifting date, Congress enacted legislation which reformed the mechanism governing stock sale restrictions in a fundamental way under the 1987 amendments, instead of expiring automatically in 1991, the restrictions on alienability continue automatically unless and until the shareholders of a Native corporation vote to remove them. The 1987 amendments provide several procedural mechanisms to bring such a vote, including action by the board of directors and petitions by shareholder.

To date, no Native corporation has sought to life the alienability restrictions. Fundamentally, this is because Native shareholders continue to value Native ownership of the corporations and Native control of the lands and other assets held by them.

CIRI has conducted a number of continuing surveys, focus groups, and special shareholder meetings to ascertain the views of its shareholders regarding the alienation restrictions on CIRI stock. Two results have consistently stood out in these assessments.

First, the majority of CIRI shareholders favor maintaining Native ownership and control of CIRI. These shareholders, whose numbers consistently register at the 70 to 80 percent level, see economic benefits in the continuation of Native ownership, and also value the important cultural goals, values and activities of their ANCSA corporation.

Second, a significant percentage, albeit a minority of shareholders, favor assessing some, or all, of the value of their CIRI stock through the sale of that stock. These shareholders include, but, are not limited to elderly shareholders who have real current needs, yet doubt that sale of stock will be available to them in their lifetime: holders of small, fractional shares received through one or more cycles of inheritance; non-Natives who have acquired stock through inheritance but without attendant voting privileges; and shareholders who have few ties to the corporation or to Alaska, 25 percent of CIRI shareholders live outside of Alaska.

Under current law, these two legitimate but conflicting concerns cannot be addressed, because lifting restrictions on the sale of stock is an all or nothing proposition. In order to allow the minority of shareholders to exercise their desire to sell some or all of their stock, the majority of shareholders would have to sacrifice their important desire to maintain Native control and ownership to CIRI.

CIRI believes this conflict will eventually leave the interests of the majority of its shareholders vulnerable to political instability. In addition, CIRI recognizes that responding to the desire of those shareholders who wish to sell CIRI stock is a legitimate corporate responsibility. More importantly, CIRI believes that there is a way to address the needs and desires of both groups of shareholders, those who wish to sell stock and those who desire to maintain Native ownership of CIRI, so that the sale of stock will not compromise the ''nativeness'' of the company, and will not jeopardize the economic future of the company for those who choose not to sell. The method embodied in this legislation is one that other companies routinely use: the buying back of its own stock. The newly acquired stock would then be canceled.

Mr. Speaker, I have discussed this bill at length with CIRI and I am convinced this is the best and only option available for their shareholders to voluntarily sell their stock back to CIRI. It is identical to that which passed the House last session and I hope it will move as expeditiously as possible.

INTRODUCTION OF HEALTH INSURANCE DEDUCTION FOR SELF-EMPLOYED BUSINESS OWNERS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. NEAL of Massachusetts. Mr. Speaker, prior to December 1993, self-employed business owners were allowed to deduct 25 percent of the cost of their health insurance and this deduction has expired. I am introducing legislation that will make the cost of health insurance deductible for self-employed business owners.

The purpose of this legislation is to restore and to make permanent the 25 percent deduction and to gradually increase the deduction to 100 percent. The bill phases in the 100 percent deduction over a period of 4 years. For calendar years 1994 and 1995, health insurance would be 25 percent deductible; in 1996 and 1997 it would become 50 percent deductible; and in 1996 and thereafter health insurance would become 100 percent deductible. Increasing the deduction to 100 percent would provide small businesses with an incentive to provide expanded health insurance coverage. Also, corporations are permitted to deduct 100 percent of the cost of providing health care insurance.

One of the major problems facing small businesses is the high cost of health insurance. Increasing the deduction would allow business owners to spend more on health care. This legislation provides businesses with an incentive to purchase health care insurance.

Congress can immediately begin to reduce the cost of health care coverage by extending the 25-percent deduction for self-employed individuals' health insurance. The high cost of health care insurance is one of the impediments to health care access. I urge you to support this legislation.

CAMINO REAL CORRIDOR AND COMMISSION

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. COLEMAN. Mr. Speaker, I rise today to re-introduce legislation to create the Camino Real Corridor and Commission. I introduced this bill during the previous session, and I continue to believe that the passage of this legislation is indispensable to the goals of facilitating national trade and growth in the coming years.

While the passage of the North American Free-Trade Agreement will no doubt affect the entire Nation, perhaps no area will witness greater changes than the Southwestern region along the Mexican border. Not only will the area continue to experience the benefits of increasing international economic integration, but it will also be profoundly impacted by the large influx of traffic that is the necessary byproduct of expanding trade. The district which I represent, El Paso, TX, has an infrastructure system that will be among the hardest hit by the increasing levels of commerce between the United States and Mexico.

El Paso is one of the most important border crossings in the world. Over $12 billion in trade passes over the El Paso-Ciudad Juarez, Chihuahua border each year; 18 percent of United States exports to and 25 percent of United States imports from Mexico pass through this trans-border metropolitan region. Furthermore, it is the busiest point of entry for commercial trucks. In light of the fact that the trade volume transported through this port of entry is projected to nearly double by the year 2000, and that the population of the El Paso area is one of the fastest-growing in the Nation, the highways and border infrastructure of this area warrant our particular attention.

But we must bear in mind that El Paso is only one point on a trade route that extends from the Mexican State of Chihuahua into the interior portion of the United States. A natural trade corridor is emerging from the Mexican border State of Chihuahua to Denver through El Paso and New Mexico. The Mexican Government has already demonstrated its commitment to the region, with the construction of a new highway system that extends to the State of Chihuahua through several of Mexico's largest cities in the industrialized north—a highway over 600 miles long. On the U.S. side, the emerging corridor bears great resemblance to the highway systems designated by section 1105c of the 1991 Intermodal Surface Transportation Efficiency Act as ''corridors of national significance''. Like those highway systems, the highway system from El Paso to Denver has undergone a great increase in use, particularly in the form of commercial traffic, since the designation of the Federal Interstate System. This trend will be amplified in the next decade, as trade and population growth continue to soar in the region.

Therefore, today I am re-introducing legislation to create the Camino Real Corridor. As I noted previously, the historical reference herein recognizes the importance of this trade route to the development of the Southwest. The Camino Real de la Tierra Adentro, the Royal Highway of the Interior Lands, was the route traveled by people from Mexico City to Santa Fe. The modern corridor would be achieved through the enhancement of the trade route that today connects El Paso to Albuquerque to Denver, and of the border arterials that feed into this route. The improvements in infrastructure along this route would include the use of intelligence vehicle highway systems where appropriate. Thus, information, communications, and control technologies will be applied to improve the efficiency of this surface transportation system. These changes would guarantee that the roads which carry goods between Mexico and the interior portions of the United States could handle the heavy flow of traffic that is anticipated in the upcoming decades. Further, Denver is at the crossroads to the West and Midwest, and positioned to develop north to Canada.

Unfortunately, good roads alone cannot guarantee the efficient cross-border passage of people, goods, and capital. Indeed, many of the current delays in United States-Mexico trade occur at the border. So to ensure the smooth operation of the corridor system, I have also proposed the creation of the Camino Real Corridor Commission. This Commission would report to the Secretary of Transportation, and would be responsible for making recommendations to maximize effective utilization of the highways and border